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FIRE DISTRICT NO. 8
OF CADDO PARISH, LOUISIANA
GENERAL PURPOSE FINANCIAL REPORT STATEMENTS
DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/18/04

**FIRE DISTRICT NO. 8 OF CADDO PARISH, LOUISIANA
DECEMBER 31, 2003**

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AGEE & AGEE, P.C.

Certified Public Accountants
5925 Line Avenue Suite 9
Shreveport, Louisiana 71106
Office (318) 861-3343
Fax (318) 861-3425
www.AGEEandAGEEcpa.com

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Commissioners
Fire District No. 8 of Caddo Parish, Louisiana
Shreveport, Louisiana

We have audited the accompanying general purpose financial statements of Fire District No. 8 of Caddo Parish, Louisiana, component unit of the Parish of Caddo, Louisiana as of and for the year ended December 31, 2003 as listed in the Table of Contents. These general purpose financial statements are the responsibility of Fire District No. 8 of Caddo Parish, Louisiana management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of Fire District No. 8 of Caddo Parish, Louisiana, as of December 31, 2003, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2004, on our consideration of Fire District No. 8 of Caddo Parish, Louisiana's internal control over financial reporting and a report of our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Thomas A. Agee CPA

Agee & Agee, P.C.
Shreveport, Louisiana
June 14, 2004

**CADDO PARISH FIRE DISTRICT NO. 8
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003**

	GOVERNMENTAL FUNDS		ACCOUNT GROUPS		TOTAL MEMORANDUM ONLY	
	GENERAL FUND	DEBT SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	DECEMBER 31, 2003	DECEMBER 31, 2002
ASSETS AND OTHER DEBITS:						
ASSETS:						
CASH AND CASH EQUIVALENTS	\$ 9,992	\$ 298,013	\$ -	\$ -	\$ 308,005	\$ 303,346
INVESTMENTS	173,672				173,672	164,552
RECEIVABLES, NET	223,091				223,091	380,605
OTHER ASSETS	4,898				4,898	4,805
DUE FROM OTHER FUNDS	20,918				20,918	3,520
LAND, BUILDINGS, AND EQUIPMENT			1,527,575		1,527,575	1,492,650
OTHER DEBITS:						
AMOUNT AVAILABLE IN DEBT SERVICE FUND				277,095	277,095	263,143
AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG-TERM OBLIGATIONS				2,905	2,905	141,857
	\$ 432,571	\$ 298,013	\$ 1,527,575	\$ 280,000	\$ 2,538,159	\$ 2,754,478
LIABILITIES, EQUITY, AND OTHER CREDITS						
LIABILITIES:						
PAYROLL DEDUCTIONS AND WITHHOLDINGS PAYABLE	\$ 807	-	-	-	\$ 807	\$ 1,068
DUE TO OTHER FUNDS		20,918			20,918	3,520
BONDS PAYABLE				280,000	280,000	405,000
	\$ 807	\$ 20,918	\$ -	\$ 280,000	\$ 301,725	\$ 409,588
EQUITY AND OTHER CREDITS:						
INVESTMENT IN GENERAL FIXED ASSETS			\$ 1,527,575		\$ 1,527,575	\$ 1,492,650
FUND BALANCES:						
RESERVED FOR DEBT SERVICE		277,095			277,095	431,536
RESERVED FOR CAPITAL REPLACEMENT	100,000				100,000	100,000
UNRESERVED/UNDESIGNATED	331,764				331,764	320,704
	\$ 431,764	\$ 298,013	\$ 1,527,575	\$ -	\$ 2,236,434	\$ 2,344,890
	\$ 432,571	\$ 1,527,575	\$ 1,527,575	\$ 280,000	\$ 2,538,159	\$ 2,754,478

CADDO PARISH FIRE DISTRICT NO. 8
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUND TYPES
DECEMBER 31, 2003

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL MEMORANDUM ONLY</u>	
			December 31, 2003	December 31, 2002
REVENUES:				
AD VALOREM TAXES	\$ 61,240		\$ 61,240	\$ 256,096
SERVICE CHARGES	168,750		168,750	179,621
INTERGOVERNMENTAL:				
FIRE INSURANCE REBATE	20,200		20,200	18,207
STATE SUPPLEMENTAL PAY	10,800		10,800	7,800
FEMA GRANT	23,036		23,036	-
INTEREST INCOME	10,329	729	11,058	14,019
MISCELLANEOUS	2,356		2,356	27,854
VENUES	<u>\$ 296,711</u>	<u>\$ 729</u>	<u>\$ 297,440</u>	<u>503,597</u>
EXPENDITURES:				
SALARIES AND RELATED BENEFITS	\$ 119,925		\$ 119,925	\$ 91,587
LEGAL AND ACCOUNTING	2,500		2,500	2,500
INSURANCE	42,211		42,211	37,827
REPAIRS AND MAINTENANCE	29,739		29,739	32,626
TAX REIMBURSEMENT		785	785	158
UTILITIES	19,816		19,816	16,040
FUEL	4,235		4,235	3,694
SUPPLIES	8,301		8,301	6,219
BANK FEES		374	374	355
TAX COLLECTION FEES	13,429	5,885	19,314	17,454
TRAINING	3,856		3,856	5,931
UNIFORMS	1,150		1,150	608
VOLUNTEER REIMBURSEMENTS				
CAPITAL OUTLAY	34,925		34,925	30,830
DEBT SERVICE:				
PRINCIPAL RETIREMENT		125,000	125,000	115,000
INTEREST PAID		23,975	23,975	32,203
OTHER	5,323	2,671	7,994	6,306
EXPENDITURES	<u>\$ 285,410</u>	<u>\$ 158,690</u>	<u>\$ 444,100</u>	<u>\$ 399,338</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 11,301	\$ (157,961)	\$ (146,660)	\$ 104,250
FUND BALANCE AT BEGINNING OF YEAR	<u>\$ 420,463</u>	<u>\$ 435,056</u>	<u>\$ 855,524</u>	<u>\$ 747,981</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 431,764</u></u>	<u><u>\$ 277,095</u></u>	<u><u>\$ 708,864</u></u>	<u><u>\$ 852,240</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CADDO PARISH FIRE DISTRICT NO. 8
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (CASH BASIS) AND ACTUAL - GENERAL FUND
DECEMBER 31, 2003

	<u>BUDGET</u> <u>(CASH BASIS)</u>	<u>ACTUAL</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>REVENUES:</u>			
AD VALOREM TAXES	\$ 60,113	\$ 55,070	\$ (5,043)
SERVICE CHARGES	161,100	162,562	1,462
INTERGOVERNMENTAL:			
FIRE INSURANCE REBATE	18,182	20,200	2,018
STATE SUPPLEMENTAL PAY		10,800	10,800
FEMA GRANT		23,036	23,036
INTEREST INCOME	5,000	10,329	5,329
MISCELLANEOUS	3,000	2,356	(644)
	<u>247,395</u>	<u>284,353</u>	<u>36,958</u>
TOTAL REVENUES	\$ 247,395	\$ 284,353	\$ 36,958
<u>EXPENDITURES:</u>			
SALARIES AND RELATED BENEFITS	\$ 102,385	\$ 110,434	\$ (8,049)
LEGAL AND ACCOUNTING	4,000	2,500	1,500
INSURANCE	41,692	42,303	(611)
REPAIRS AND MAINTENANCE	28,500	29,739	(1,239)
UTILITIES	19,472	19,816	(344)
CAPITAL OUTLAY	11,800	34,925	(23,125)
FUEL	3,500	4,235	(735)
SUPPLIES	10,500	8,301	2,199
TAX COLLECTION FEES	19,296	19,314	(18)
TRAINING	2,500	3,856	(1,356)
UNIFORMS	1,050	1,150	(100)
OTHER	2,700	1,479	1,221
	<u>247,395</u>	<u>278,052</u>	<u>(30,657)</u>
TOTAL EXPENDITURES	\$ 247,395	\$ 278,052	\$ (30,657)
EXCESS (DEFICIENCY) OF REVENUES OVER			
OVER EXPENDITURES	\$ -	\$ 6,301	\$ 6,301
FUND BALANCE AT BEGINNING OF YEAR	<u>\$ 360,847</u>	<u>\$ 360,847</u>	<u>\$ -</u>
FUND BALANCE AT END OF YEAR	<u>\$ 360,847</u>	<u>\$ 370,543</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' COMPILATION REPORT.

**NOTES TO
FINANCIAL STATEMENTS**

FIRE DISTRICT NO. 8 OF CADDO PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The Caddo Parish Fire District No. 8 (the District) was created by the Caddo parish Commission by ordinance on February 24, 1988, as provided under the Louisiana Revised Statute 40:1496 and is a component of Caddo Parish. The District is comprised of property in Northwest Caddo Parish and is governed by a five-member Board of Commissioners, who are appointed by the Caddo Parish Commission for two year terms. The purpose of the District is to provide fire protection and emergency services to residents of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Caddo Parish Fire District No. 8 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASP) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The District is a component unit of the Caddo Parish Commission, the financial reporting entity. The commission is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Caddo Parish Commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

1. General Fund — the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.
2. Debt Service Fund — accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenue

Ad valorem taxes and service charges are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. All other revenues are recorded when received.

Expenditures:

Operating expenditures are recorded when liability is incurred. Interest on long-term debt is recorded when paid.

E. USES OF ESTIMATES

The preparation of financial statements generally requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The budget is prepared by the Board of Commissioners.
2. A summary of the proposed budget is published and the public notified that the budget is available for public inspection.
3. All budgetary appropriations lapse at the end of each calendar year.
4. Budgets for the General Fund are adopted on a cash basis which is not consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Commissioners. The 2003 budget was amended in December 2003.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United State, or under laws of the United States.

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District's investment policy. If the original maturities of time deposits exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

I. BAD DEBTS

Uncollectible amounts due for ad valorem taxes receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

J. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term liabilities are recognized in the governmental funds when due.

L. COMPENSATED ABSENCES

Compensated absences for vacation and sick leave do not accrue past the calendar year and are not paid for if not taken.

M. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

N. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned "MEMORANDUM ONLY" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH AND INVESTMENTS

At December 31, 2003, the District has cash and investments (book balances) totaling \$481,677 as follows:

GENERAL FUND	
Demand Deposits	\$ 9,992
Interest-bearing time deposits	173,672
Total General Fund	<u>\$ 183,664</u>
BOND SERVICE FUND	
Interest-bearing time deposits	\$ 298,013
Total Cash and Investments	<u>\$ 481,677</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the District has \$481,677 in deposits (collected bank balances).

These deposits are secured from risk by \$300,000 of federal deposit insurance and in excess of \$181,677 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The following is a summary of receivables at December 31, 2003:

Taxes Receivable	Ad Valorem Tax	Service Charge	Total
Tax Assessed	\$ 61,240	\$ 168,750	\$ 229,990
Less: Collection Expense	<u>(1,898)</u>	<u>(12,656)</u>	<u>(14,554)</u>
	\$ 59,342	\$ 156,094	\$ 215,436
Less: Allowance for Uncollectible	<u>(1,837)</u>	<u>(5,062)</u>	<u>(6,899)</u>
	<u>\$ 57,505</u>	<u>\$ 151,032</u>	<u>\$ 208,537</u>

4. AD VALOREM TAXES AND SERVICE CHARGES

In an election on October 7, 1989, the voters approved the issuance of general obligation bonds and the corresponding ad valorem taxes to be levied for debt service. On July 17, 1999, the voters approved a ten (10) year four (3.76) mill property tax beginning with the year 1999 and ending with the year 2008 for the purpose of acquiring, constructing, improving, maintaining, and/or operating fire protection facilities, and obtaining water for fire protection purposes and to the extent permitted by law, acquiring, construction, improving, maintaining and/or operating emergency medical facilities.

For the year ended December 31, 2003, total ad valorem taxes of 4.0 mills were levied on property with assessed valuations totaling \$15,028,150. Total taxes levied at December 31, 2003, for operation were \$229,990. No taxes were levied for debt retirement.

On July 17, 1999, the voters approved a ten (10) year service charge of up to \$50 per residential or commercial structure for fire protection services commencing January 1, 2000. Total service charges levied at December 31, 2003, were \$168,750.

Ad valorem taxes and services charges are levied on November 1st of each year and are due by December 31st. If payment has not been made by due date, liens are attached to property as of January 1st of the following year.

5. LONG-TERM DEBT

In an election held on October 11, 1989, the voters authorized the issuance of \$1,325,000 in general obligation bonds for acquiring land, buildings, and equipment to be used in providing fire protection to the District. The bonds were issued on May 15, 1990, and are payable in annual principal installments of \$15,000 to \$145,000 with interest paid semi-annually at rates ranging from 12% to 6.4%. A summary of change in general long-term obligations is as follows:

Balance, December 31, 2002	\$ 405,000
Debt retired	<u>(125,000)</u>
Balance, December 31, 2003	\$ 280,000

The annual requirements to amortize bonded debt as of December 31, 2003, including interest payments are as follows:

Year Ending December 31	Total Principal and Interest Due	Principal	Interest
2004	\$ 149,875	\$ 135,000	\$ 14,875
2005	<u>150,075</u>	<u>145,000</u>	<u>5,075</u>
Total Principal and Interest	<u>\$ 299,950</u>	<u>280,000</u>	<u>19,950</u>

6. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 25,000	\$	\$	\$ 25,000
Buildings	675,009			675,009
Vehicles	493,095			493,095
Equipment/Furniture	<u>299,546</u>	<u>34,925</u>		<u>334,471</u>
Totals	<u>\$ 1,492,650</u>	<u>\$ 34,925</u>	<u>\$</u>	<u>\$ 1,527,575</u>

7. FIREFIGHTERS' RETIREMENT SYSTEM OF LOUISIANA

Plan Description. Substantially all employees of the District are members of the Louisiana Firefighters' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Membership in the System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection District that did not enact an ordinance prior to January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third per cent of their final-average salary for each year of creditable service, not to exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (504) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rates as contributed for 2003 are: 8.25% through February, March 9.0%, April 10¼%, May and June at 18¼%, and July through December 21.0%. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System for the years ending December 31, 2003, 2002, 2001, were \$15,694, \$7,161, and \$5,641, respectively, equal to the required contributions for each year.

8. PER DIEM PAID TO BOARD MEMBERS

The District has a voluntary board; therefore, no per diem amounts were paid during this period.

9. COMMITMENTS AND CONTINGENCIES

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation. Settlements have not exceeded insurance coverage in any of the past three years.

10. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any material related party transactions for the years ended December 31, 2003.

11. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

GASB Statement No. 24 requires that on-behalf payments be recognized as both revenue and expenditure by an employer governmental entity. In accordance with the Statement, \$10,800 has been recognized in both intergovernmental revenue – state supplemental pay and public safety expenditures due to on-behalf payments for fringe benefits and salaries.

12. RECONCILIATION OF DIFFERENCES BETWEEN THE BUDGETARY-BASED FINANCIAL STATEMENTS AND THE GAAP-BASED FINANCIAL STATEMENTS

As discussed in Note 1, the budget is prepared on a cash basis of accounting. However, the modified accrual basis of accounting is used for financial reporting purposes in accordance with GAAP. Exhibit 1 on page 13 is a Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgeting Basis Variance with GAAP) for the year ended December 31, 2003. The statement reconciles the differences between the budgetary-based financial statements and the GAAP-based financial statements for the general fund.

**CADDO PARISH FIRE DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

	ACTUAL ON GAAP BASIS	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:					
AD VALOREM TAXES	\$ 61,240	\$ (6,170)	\$ 55,070	\$ 60,113	\$ (5,043)
SERVICE CHARGES	168,750	(6,188)	162,562	161,100	1,462
INTERGOVERNMENTAL:					
FIRE INSURANCE REBATE	20,200		20,200	18,182	2,018
STATE SUPPLEMENTAL PAY	10,800	(10,800)			
FEMA GRANT	23,036		23,036		23,036
INTEREST INCOME	10,328	(9,119)	1,209	5,000	(3,791)
MISCELLANEOUS	2,356		2,356	3,000	(644)
TOTAL REVENUES	\$ 296,710	\$ (32,277)	\$ 264,433	\$ 247,395	\$ 17,038
EXPENDITURES:					
SALARIES AND RELATED BENEFITS	\$ 119,925	\$ (9,491)	\$ 110,434	\$ 102,385	\$ (8,049)
LEGAL AND ACCOUNTING	2,500		2,500	4,000	1,500
INSURANCE	42,211	93	42,303	41,692	(611)
REPAIRS AND MAINTENANCE	29,739		29,739	28,500	(1,239)
UTILITIES	19,816		19,816	19,472	(344)
CAPITAL OUTLAY	34,925		34,925	11,800	(23,125)
FUEL	4,235		4,235	3,500	(735)
SUPPLIES	8,301	5,885	8,301	10,500	2,199
TAX COLLECTION FEES	13,429		13,429	19,296	(5,867)
TRAINING	3,856		3,856	2,500	(1,356)
UNIFORMS	1,150		1,150	1,050	(100)
OTHER	5,323	(3,844)	1,479	2,700	1,221
TOTAL EXPENDITURES	\$ 285,410	\$ (7,357)	\$ 278,052	\$ 247,395	\$ (30,657)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 11,300	\$ (24,919)	\$ (13,619)	\$ -	\$ (13,619)
FUND BALANCE AT BEGINNING OF YEAR	\$ 360,847				
FUND BALANCE AT END OF YEAR	\$ 420,704				



AGEE & AGEE, P.C.

Certified Public Accountants
5925 Line Avenue Suite 9
Shreveport, Louisiana 71106
Office (318) 861-3343
Fax (318) 861-3425
www.AGEEandAGEEcpa.com

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Commissioners
Caddo Fire District No. 8
Caddo Parish, Louisiana

We have audited the general purpose financial statements of Caddo Parish Fire District No. 8, Caddo Parish, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 20, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Caddo Fire District No. 8, Caddo Parish, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item number 03-1.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Caddo Parish Fire District No. 8's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. This report is intended solely for the information and use of management and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Thomas A. Agee CPA

Agee & Agee, P.C.
Shreveport, Louisiana
June 20, 2004

SUMMARY OF AUDIT FINDINGS

**CADDO PARISH FIRE DISTRICT NO. 8
SUMMARY OF PRIOR YEAR AUDIT FINDING
DECEMBER 31, 2003**

SCHEDULE OF FINDINGS

03-1: Caddo Parish Fire District No. 8 does not have a system of civil service for the district's three paid employees. A system of civil service is required under the Constitution of Louisiana of 1974, specified Article, Part II and Louisiana Revised Statutes 33:2531, et. seq., Title 33 Chapter 5 Part III.

CORRECTIVE ACTION PLAN

The Board of Caddo Parish Fire District No. 8 will discuss the requirements of a civil service system at their next regular scheduled meeting.

CORRECTIVE ACTION TAKEN